

\$618 million

direct benefits to credit union consumers

\$8.4 billion

total economic impact



2017 Economic Impacts of Credit Unions
in Idaho, Oregon, and Washington

Economic Impacts of Credit Unions in Idaho, Oregon, and Washington

Northwest not-for-profit, member-driven cooperative credit unions created a \$8.4 billion economic impact in 2016. ECONorthwest delivered an independent analysis that analyzed the gross economic impacts of credit unions in Idaho, Oregon, and Washington. The study measured jobs, economic output, and income supported by not-for-profit, member-driven cooperative credit unions in the regional economy. The study also measured the direct benefits that not-for-profit, cooperative credit unions are uniquely positioned to return to their members. The study found that in 2016, the value of benefits to the Northwest's 6.5 million credit union members was \$618 million, which, when spent in local communities supported a total gross economic output—buying power—of \$665 million.

About Northwest Credit Unions: The Credit Union Difference

The key difference between credit unions and other financial services providers is the not-for-profit, cooperative structure. Credit unions are owned and driven by the members who use their services. Unlike profit-driven financial institutions which pay stockholders, credit unions exist solely to meet their members' financial needs, and thus are uniquely positioned to return direct benefits to

The Credit Union Model

Credit unions are cooperative, not-for-profit, and member owned.

those members. The benefits manifest in the form of better interest rates, lower fees, and other services that hard-working Americans need.

Early credit unions were formed during the Great Depression, when workers pooled their money to help their colleagues obtain credit. The Federal Credit Union Act was signed into law in 1934, to balance the nation's credit structure, providing thrift through a cooperative model. That structure—and credit unions' focus on a foundational "People Helping People" philosophy—remains intact today.

In the Northwest, nearly 200 credit unions serve 6.5 million consumers—50% of the population—and protect 22% of the overall deposits. Nearly 6,000 credit unions in the United States provide comprehensive financial services to over 106 million member-owners, representing approximately 7 percent of the national market share. This is a key indicator of the value that consumers place on local, cooperative, member-owned financial services providers.

About ECONorthwest

ECONorthwest specializes in the application of economic and financial principles and methods to the evaluation of public policies and investments. Incorporated in 1974, ECONorthwest has completed more than 2,500 projects for public and private clients. ECONorthwest has a staff of approximately 50 people, including offices in Portland, Seattle, Eugene, and Boise.

ECONorthwest employs the full range of analytical tools for measuring economic impacts. We maintain regional macroeconomic models, in addition to standard and econometrically augmented input-output models.

To these tools, we apply a rigorous understanding of the economic context in which specific impacts occur. This combination of robust modeling capacity and explanatory insight allows us to provide unparalleled quantitative analysis.

We have several decades of experience using the IMPLAN modeling software, conducting analysis of the zip code level through national-level models. Our expertise in this area is widely recognized in the industry. For more information, please contact Allison Tivnon, ECONorthwest Media Relations, at 503-200-5066.

Defining Economic Impacts

ECONorthwest surveyed Northwest not-for-profit, member-driven cooperative credit unions and obtained supplemental information to use in an input-output model. ECONorthwest received detailed information for almost 700 credit union branches. In addition to survey data, the National Credit Union Administration (NCUA) 4Q 2015* call report data and Credit Union National Association (CUNA) Project Zip Code Data were used in the calculation of the economic impacts.

To evaluate the economic impacts of credit unions, ECONorthwest used IMPLAN, an input-output model which enables the user to follow expenditures from a company as they flow through the economy.

These impacts are comprised of credit union impacts (direct) and indirect (supply chain) and induced (consumer spending) impacts and are calculated to measure economic contributions (output), employee compensation, and jobs.

Credit Unions' Unique Economic Impact

There is a key difference between this report and a standard economic impact analysis. In the credit unions' unique not-for-profit cooperative, member-driven structure, credit unions return benefits directly back to their member consumers. That direct member benefit creates another layer of economic impact. As cooperatives return benefits directly to members, these benefits support additional Main Street economic impacts.

Credit Unions are cooperative, not-for-profit, and member owned.

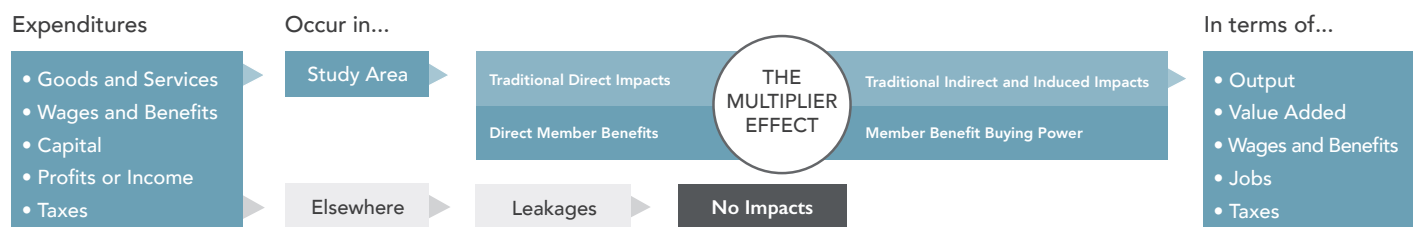
Credit Union Impacts represent the output, employment, or income change due to credit unions' own use of goods and services.

Total Economic Impacts include credit union impacts as well as indirect and induced impacts. Indirect impacts are driven by direct expenditures, which initiate a chain of other impacts in the economy, as the firms that supply goods and services to credit unions must themselves purchase supply chain goods and services. Induced impacts are supported as a result of consumer expenditures by employees.

Direct Member Benefits are calculated by accounting for differences in not-for-profit credit union and for-profit bank pricing. The not-for-profit cooperative structure is designed to return benefits directly to the members it serves, while a for-profit-bank structure is designed to return benefits to shareholders. Credit union members enjoy lower account fees, higher interest rates on savings and checking accounts, and lower interest rates on loans.

Economic Contribution represents all sales and other operating income occurring in the study area (inclusive of supply-chain purchases and compensation of employees.)

Total Impacts






*Idaho impact study used 4Q 2016 call report data.

Credit Union Economic Impacts

Direct Member Benefits. In 2016, the financial benefits that 6.5 million Northwest consumers received from their not-for-profit, member-driven cooperative credit unions supported \$665 million in total economic impacts.

Growth.* Member growth and increased direct member benefits contributed to a 50 percent increase in direct member benefit totals. In 2016, the average Northwest credit union member saved \$95, up from \$72 in 2014.

Economic Contribution. Credit unions supported \$8.4 billion in total gross economic activity, which includes supply chain spending, wages, and direct member benefit.

Credit Union Impacts		Total Economic Impacts
 Direct Member Benefit	\$618 million benefit to members	\$665 million
 Growth*	50% growth in benefit to members, 2014–2016*	13% growth from 2014–2016*
 Economic Contribution	\$3.4 billion spending and compensation	\$8.4 billion spending and compensation

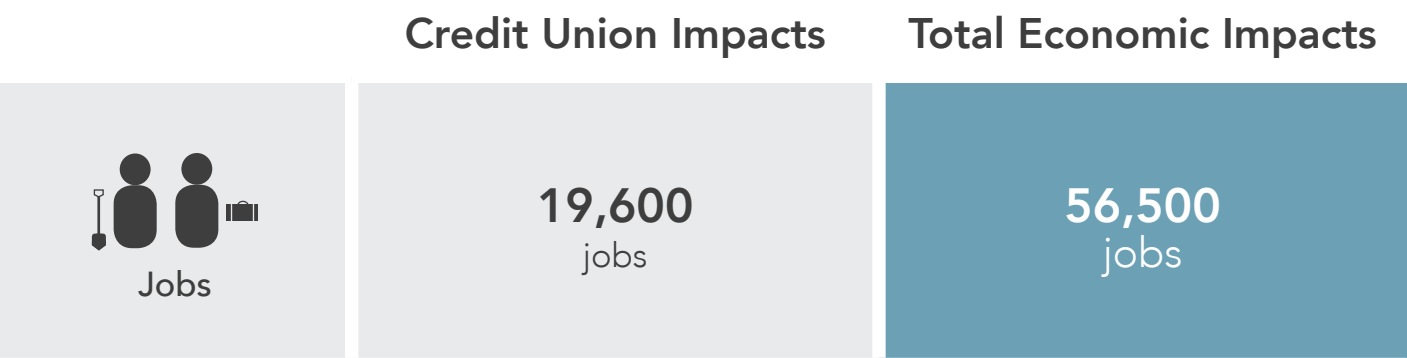


\$8.4 billion would be the 231st largest city measured by GDP in the United States; or approximately the size of the economy of Medford, OR.

*Oregon and Washington study only.

Credit Union Economic Impacts

Jobs and Income. Credit unions in Idaho, Oregon, and Washington provided more than 19,600 family wage jobs. Every credit union job supports two additional jobs in the Northwest economy.



Rural Lifeline. In rural counties, about 924,000 people are credit union members, which represents 46 percent of the rural population. While many out-of-state, for-profit financial services institutions have closed branches in rural communities, local credit unions remain committed to serving these populations, providing services such as agricultural, home, vehicle, and small business loans that area consumers need.

Credit unions are represented in 32 Washington counties, 31 Oregon counties, and 34 Idaho counties.

Loans. In addition to the \$8.4 billion that Northwest credit unions contributed to the regional economy, credit unions have currently provided 4.01 million loans outstanding to members, totaling \$59.6 billion.* Credit unions’ lending to working-class Northwest consumers puts them in houses, helps them to start small businesses, and provides transportation to jobs, in addition to the spending supported through member-derived benefits.



*No economic impacts were calculated based on use of the loans in the economy. For example, we did not calculate the impact of car loans on the new and used car industries, nor the impact of mortgages on the real estate and construction industries. Loans broadly benefit the regional economy, but this study does not capture how loans benefit individual businesses throughout the economy.

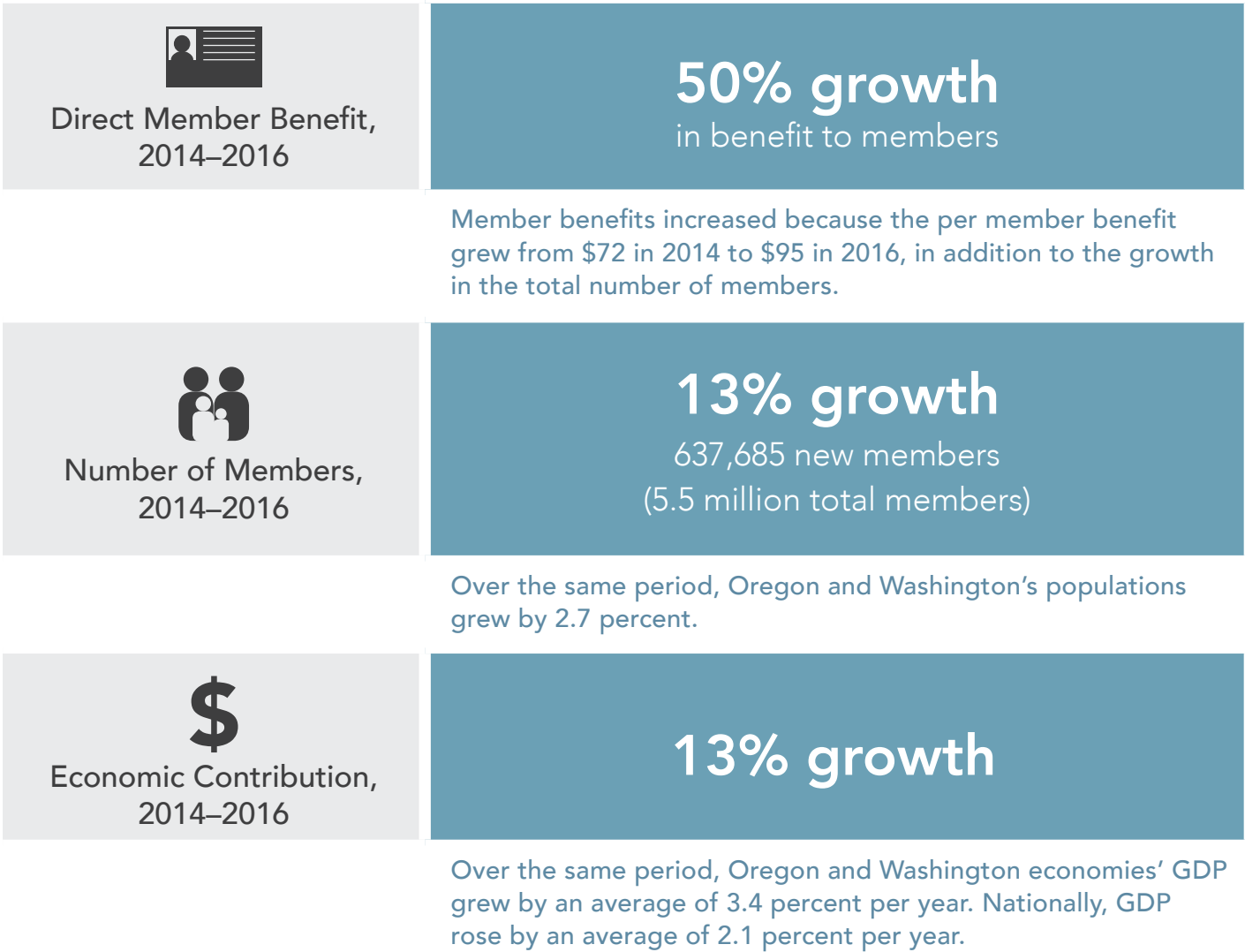
Credit Union Growth in Oregon and Washington

The results of this, the second economic impact analysis of Northwest not-for-profit, member-driven cooperative credit unions, can be compared to ECONorthwest’s 2014 study. The figures below display the growth of the industry’s economic impact in the community from 2014 to 2016. (Idaho is excluded from this discussion, as this was the first year ECONorthwest measured the economic impact of those credit unions.)

The number of Northwest credit union members grew 13 percent from the 2014 member count estimate. To put this in perspective, the populations in Oregon and Washington grew by just 2.7 percent since 2014.

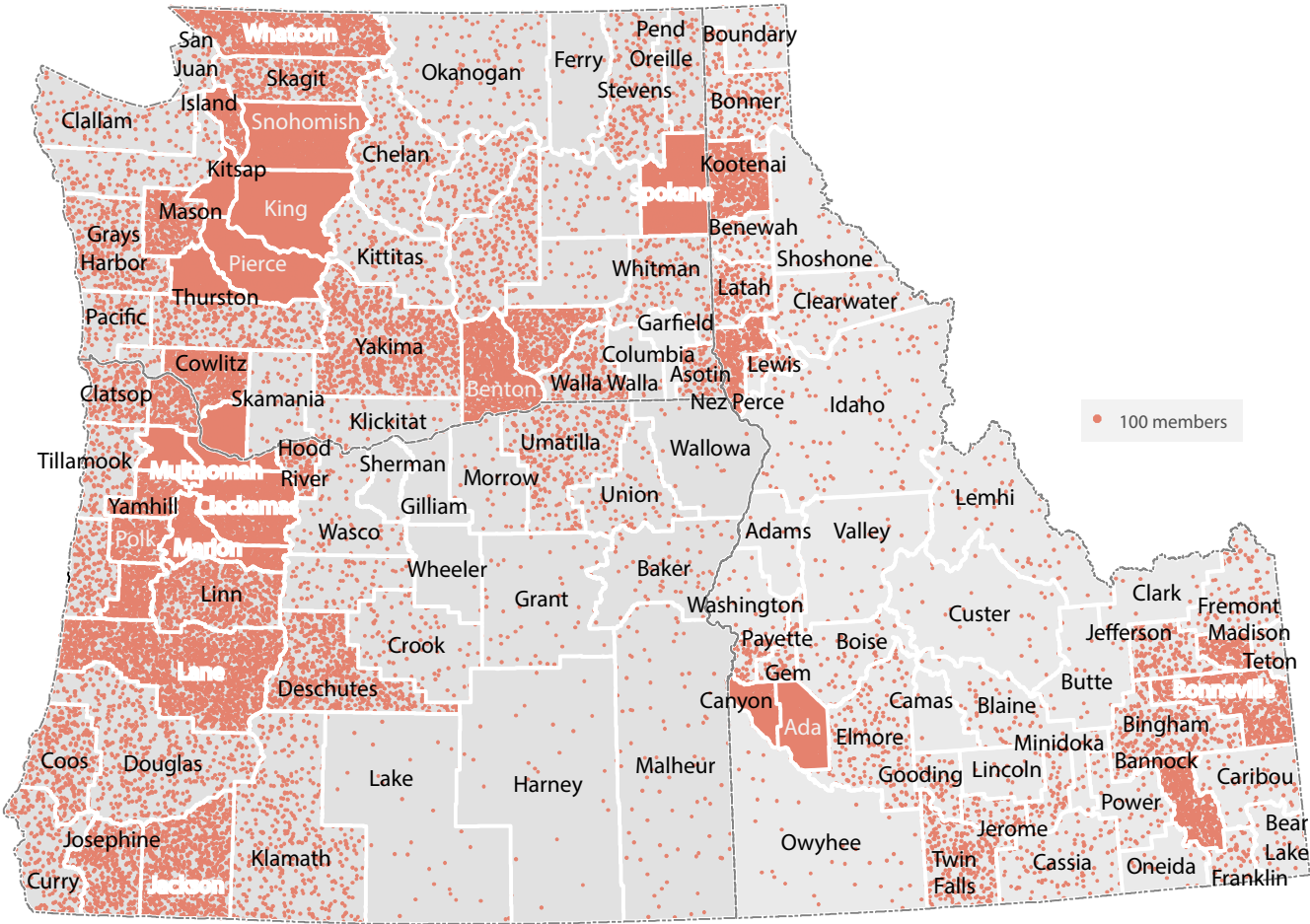
Member growth and increased direct member benefits calculated by CUNA contributed to a 50 percent increase in direct member benefit totals. In 2016, the average Northwest credit union member saved \$95, up from \$72 in 2014.*

The economic contribution associated with the credit union industry grew by 13 percent in Oregon and Washington over the two-year period.



Credit Union Members

In Idaho, Oregon, and Washington, 6.5 million consumers have made the choice to join a not-for-profit, member-driven cooperative credit union. Credit unions are located across the entire Pacific Northwest, even in small, rural communities. The map below represents the credit union member presence across the Northwest.*



Washington

3.58 million
members

50%
of the population

554
total locations

Oregon

1.97 million
members

49%
of the population

309
total locations

Idaho

917,400 million
members

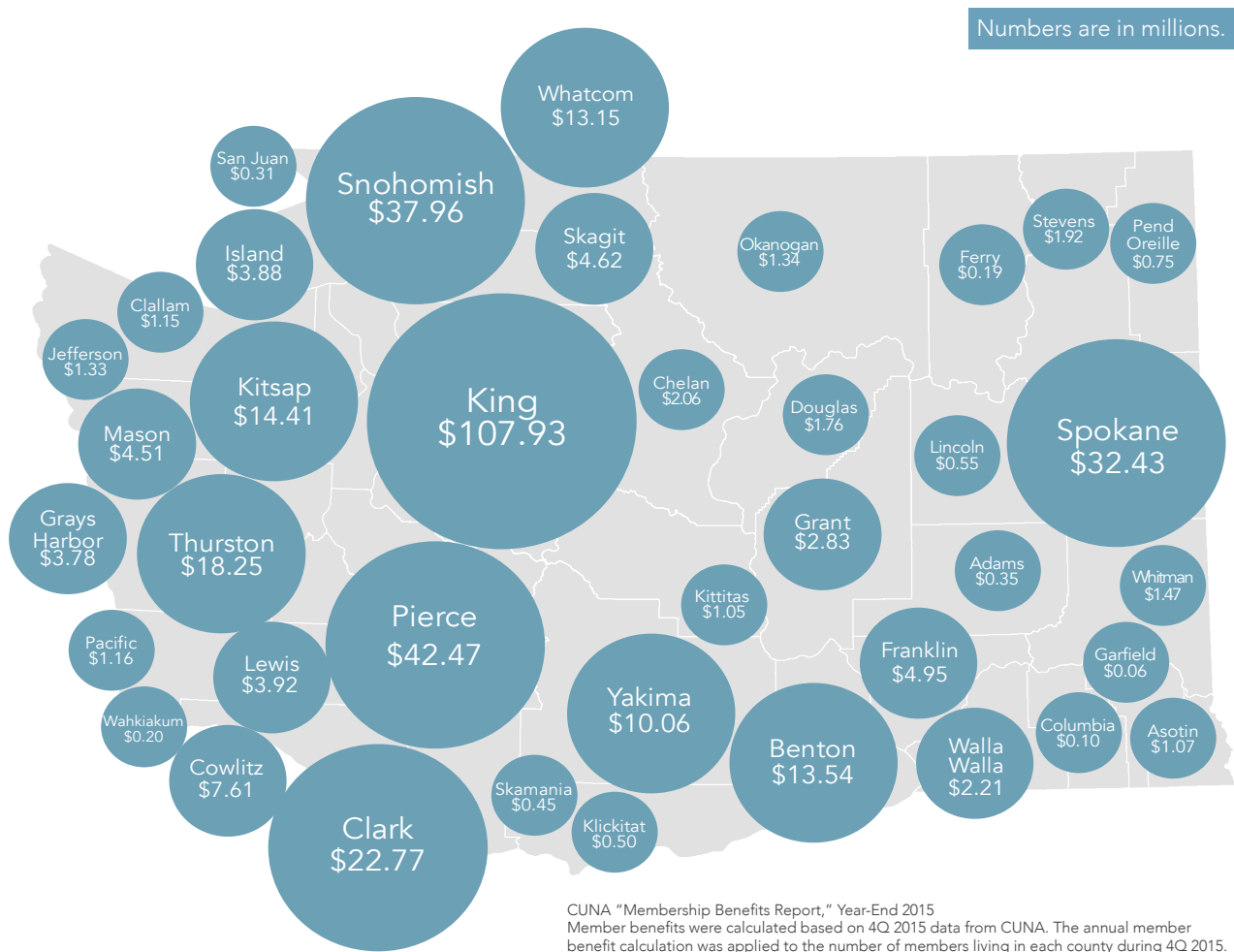
55%
of the population

213
total locations

Source: NWCUA member survey, CUNA, NCUA, and ECONorthwest calculations.
Note: Dots are randomly placed within each county, representing 100 members each.
*This potentially includes double counting of individuals who are members of more than one credit union. The number of credit unions represented are those that have members in Idaho, Oregon, Washington, not the number of credit unions headquartered.

Washington Value of Member Benefits

Credit unions, as not-for-profit cooperatives, generate and return value directly to their member-owners. Credit union members receive benefits because of the cooperative, not-for-profit, member-driven structure, which produces lower fees, higher interest rates on savings and checking accounts, and lower interest rates on loans compared to for-profit bank customers. Each dot represents the relative proportion of the direct benefits that members in different counties realized annually from being a credit union member. From the direct benefits incurred, consumers will spend portions of that savings in the local economy, from which additional multiplier impacts further benefit the local economy. In Washington, the direct member benefits of \$369 million support \$413 million of spending in the state.



\$103

direct benefit
per member

\$369 million

total direct
member benefit

\$413 million

local spending
supported by
member benefit





Washington Economic Impacts

Direct Member Benefits. The \$369 million in direct financial benefits that 3.58 million Washington members received last year from their cooperative credit unions supported \$413 million in total economic impacts. The direct member benefits are calculated by accounting for differences in not-for-profit credit union and for-profit bank pricing. Because of the cooperative structure, credit union members enjoy such things as lower account fees, higher interest rates on savings and checking accounts, and lower interest rates on loans.

Jobs and Income. Credit unions in Washington provided 11,215 family wage jobs. Every credit union job supports two additional jobs in the Northwest economy.

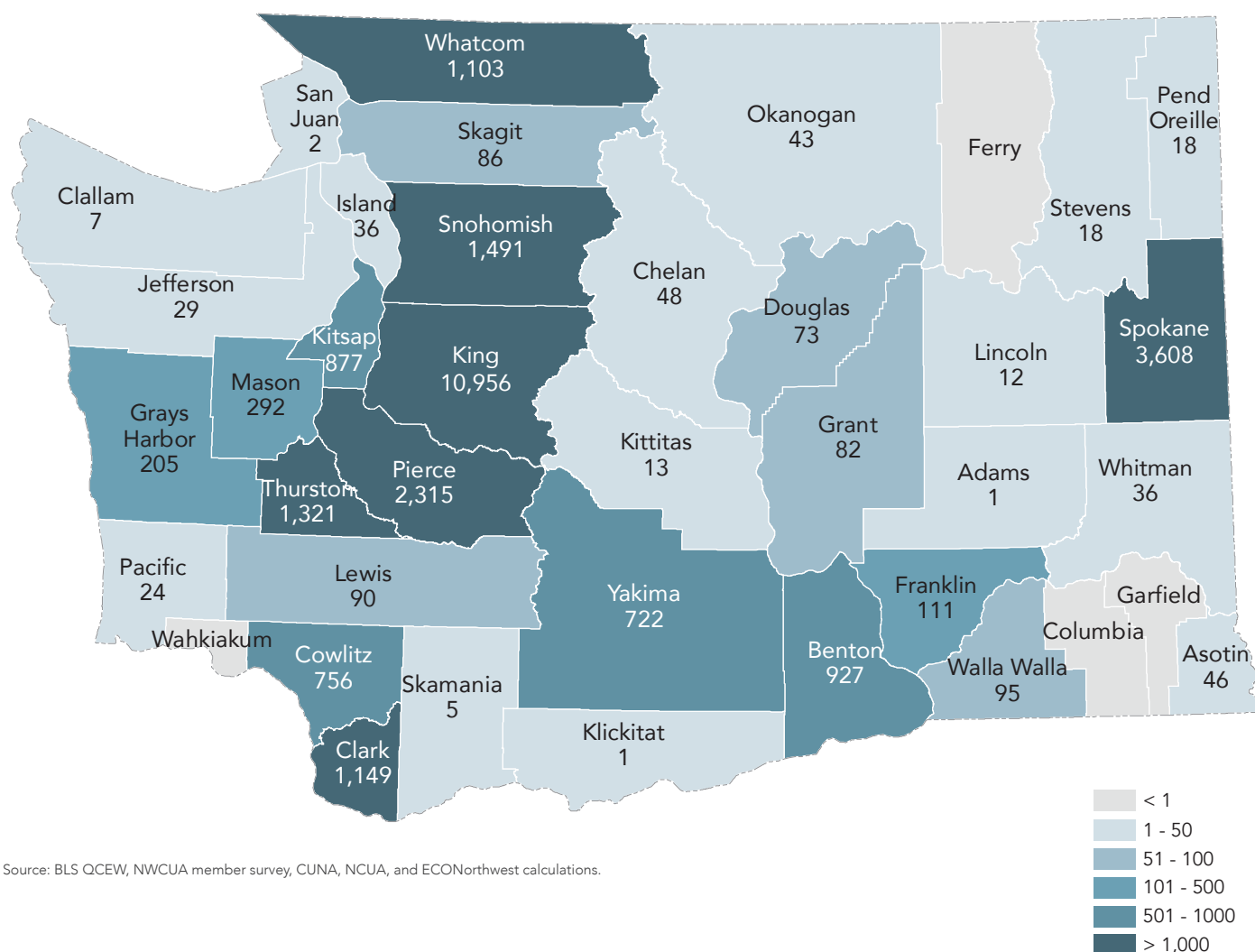
Economic Contribution. This represents all sales and other operating income occurring in the study area (inclusive of supply chain purchases and compensation of employees). Washington credit unions supported \$5.5 billion in total gross economic activity.

Loans. Credit unions’ lending to working-class Washingtonians puts them in houses, helps them start small businesses, and provides transportation to jobs. In 2016, there were 2.5 million loans outstanding, totalling \$38.1 billion.

	Credit Union Impacts	Total Economic Impacts
<div> Direct Member Benefit</div>	<div>\$369 million</div> <div>benefit to members</div>	<div>\$413 million</div>
<div> Jobs</div>	<div>11,200</div> <div>jobs</div>	<div>34,400</div> <div>jobs</div>
<div> Income</div>	<div>\$819 million</div> <div>income to credit union employees</div>	<div>\$1.8 billion</div> <div>income supported by credit union employees</div>
<div> Economic Contribution</div>	<div>\$2.2 billion</div> <div>spending and compensation</div>	<div>\$5.5 billion</div> <div>spending and compensation</div>

Washington Credit Union Job Impacts

In addition to providing family wage jobs throughout Washington, the jobs supported by credit union operations represent a meaningful share of the employment base. The map below displays the number of jobs by county that are associated with credit union operations (includes direct, plus indirect and induced jobs).



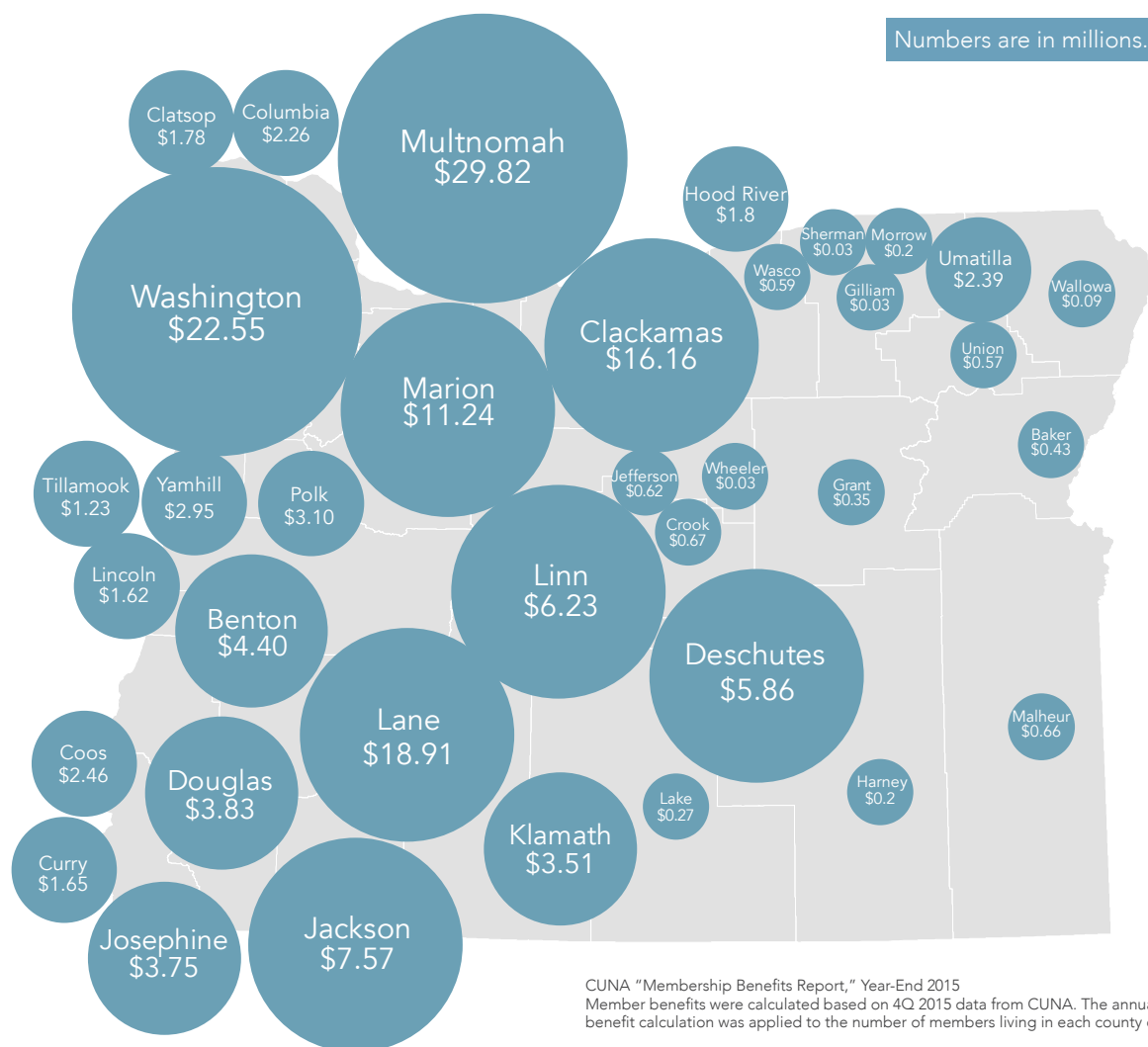
Source: BLS QCEW, NWCUA member survey, CUNA, NCUA, and ECONorthwest calculations.

Multiplier Effects

Spending associated with operation of credit unions in the Northwest generates “multiplier” spending effects that benefit workers and business owners in other sectors of the local and state economies. Multiplier effects represent additional rounds of spending that are supported by credit union member benefits and credit union spending and wages. For example, in Washington, the job multiplier is **3.1**. This means that every direct employee at a credit union supports another **2.1** jobs for workers in other sectors of the regional economy.

Oregon Value of Member Benefits

Credit unions, as not-for-profit cooperatives, generate and return value directly to their member-owners. Credit union members receive benefits because of the cooperative, not-for-profit, member-driven structure, which produces lower fees, higher interest rates on savings and checking accounts, and lower interest rates on loans compared to for-profit bank customers. Each dot represents the relative proportion of the direct benefits that members in different counties realized annually from being a credit union member. From the direct benefits incurred, consumers will spend portions of that savings in the local economy, from which additional multiplier impacts further benefit the local economy. In Oregon, the direct member benefits of \$159 million support \$161 million of spending in the state.



\$81
direct benefit
per member

\$159 million
total direct
member benefit

\$161 million
local spending
supported by
member benefit





Oregon Economic Impacts

Direct Member Benefits. The \$159 million in direct financial benefits that 1.97 million Oregon members received last year from their cooperative credit unions supported \$161 million in total economic impacts. The direct member benefits are calculated by accounting for differences in not-for-profit credit union and for-profit bank pricing. Because of the cooperative structure, credit union members enjoy such things as lower account fees, higher interest rates on savings and checking accounts, and lower interest rates on loans.

Jobs and Income. Credit unions in Oregon provided 5,845 family wage jobs. Every credit union job supports two additional jobs in the Northwest economy.

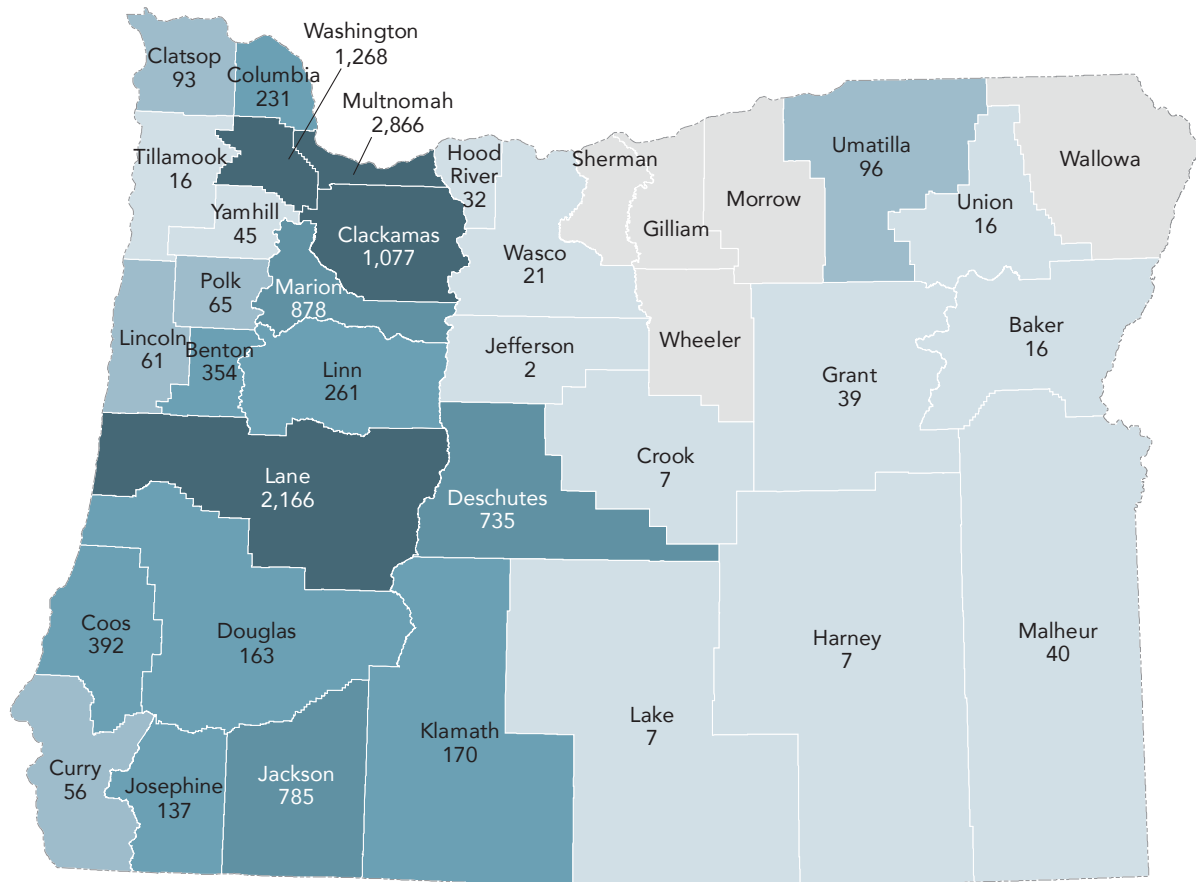
Economic contribution. This represents all sales and other operating income occurring in the study area (inclusive of supply chain purchases and compensation of employees). Oregon credit unions generated \$2.2 billion in total gross economic activity.

Loans. Credit unions’ lending to working-class Oregonians puts them in houses, helps them start small businesses, and provides transportation to jobs. In 2016, there were 950,000 loans outstanding, totalling \$14.2 billion.

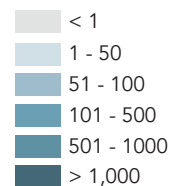
	Credit Union Impacts	Total Economic Impacts
<div> Direct Member Benefit</div>	<div>\$159 million</div> <div>benefit to members</div>	<div>\$161 million</div>
<div> Jobs</div>	<div>5,850</div> <div>jobs</div>	<div>16,600</div> <div>jobs</div>
<div> Income</div>	<div>\$418 million</div> <div>income to credit union employees</div>	<div>\$822 million</div> <div>income supported by credit union employees</div>
<div> Economic Contribution</div>	<div>\$947 million</div> <div>spending and compensation</div>	<div>\$2.2 billion</div> <div>spending and compensation</div>

Oregon Credit Union Job Impacts

In addition to providing family wage jobs throughout Oregon, the jobs supported by credit union operations represent a meaningful share of the employment base. The map below displays the number of jobs by county that are associated with credit union operations (includes direct, plus indirect and induced jobs).



Source: BLS QCEW, NWCUA member survey, CUNA, NCUA, and ECONorthwest calculations.

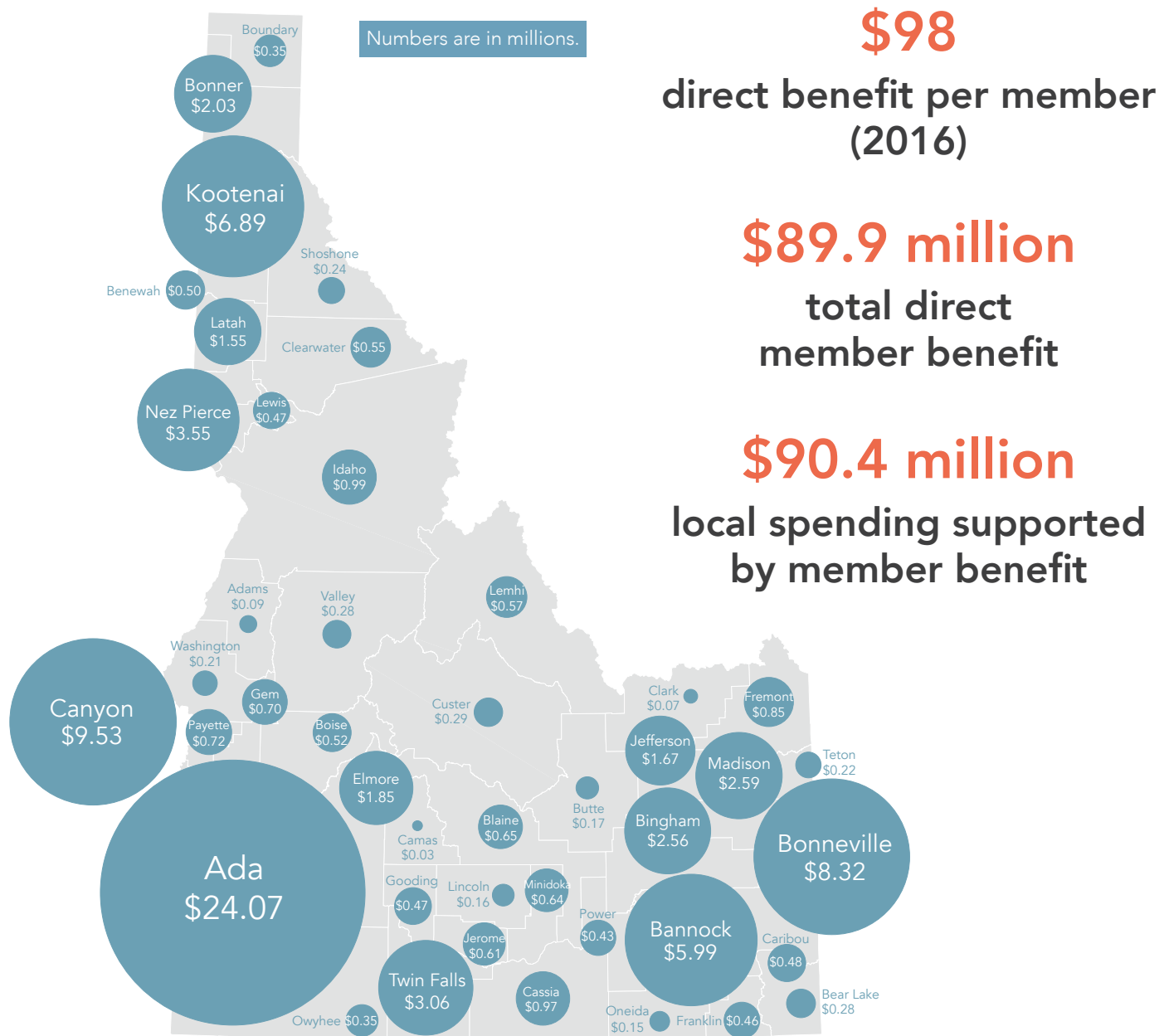


Multiplier Effects

Spending associated with operation of credit unions in the Northwest generates “multiplier” spending effects that benefit workers and business owners in other sectors of the local and state economies. Multiplier effects represent additional rounds of spending that are supported by credit union member benefits and credit union spending and wages. For example, in Oregon, the job multiplier is **2.8**. This means that every direct employee at a credit union supports another **1.8** jobs for workers in other sectors of the regional economy.

Idaho Value of Member Benefits

Credit unions, as not-for-profit cooperatives, generate and return value directly to their member-owners. Credit union members receive benefits because of the cooperative, not-for-profit, member-driven structure, which produces lower fees, higher interest rates on savings and checking accounts, and lower interest rates on loans compared to for-profit bank customers. Each dot represents the relative proportion of the direct benefits that members in different counties realized annually from being a credit union member. From the direct benefits incurred, consumers will spend portions of that savings in the local economy, from which additional multiplier impacts further benefit the local economy. In Idaho, the direct member benefits of \$89.9 million generate \$90.4 million of spending in the state.



CUNA "Membership Benefits Report," Year-End 2016
Member benefits were calculated based on 4Q 2016 data from CUNA. The annual member benefit calculation was applied to the number of members living in each county during 4Q 201.





Idaho Economic Impacts

Direct Member Benefits. The \$89.9 million in direct financial benefits that 917,400 million Idaho members received last year from their cooperative credit unions supported \$90.4 million in total economic impacts. The direct member benefits are calculated by accounting for differences in not-for-profit credit union and for-profit bank pricing. Because of the cooperative structure, credit union members enjoy such things as lower account fees, higher interest rates on savings and checking accounts, and lower interest rates on loans.

Jobs and Income. Credit unions in Idaho provided 2,519 family wage jobs. Every credit union job supports two additional jobs in the Northwest economy.

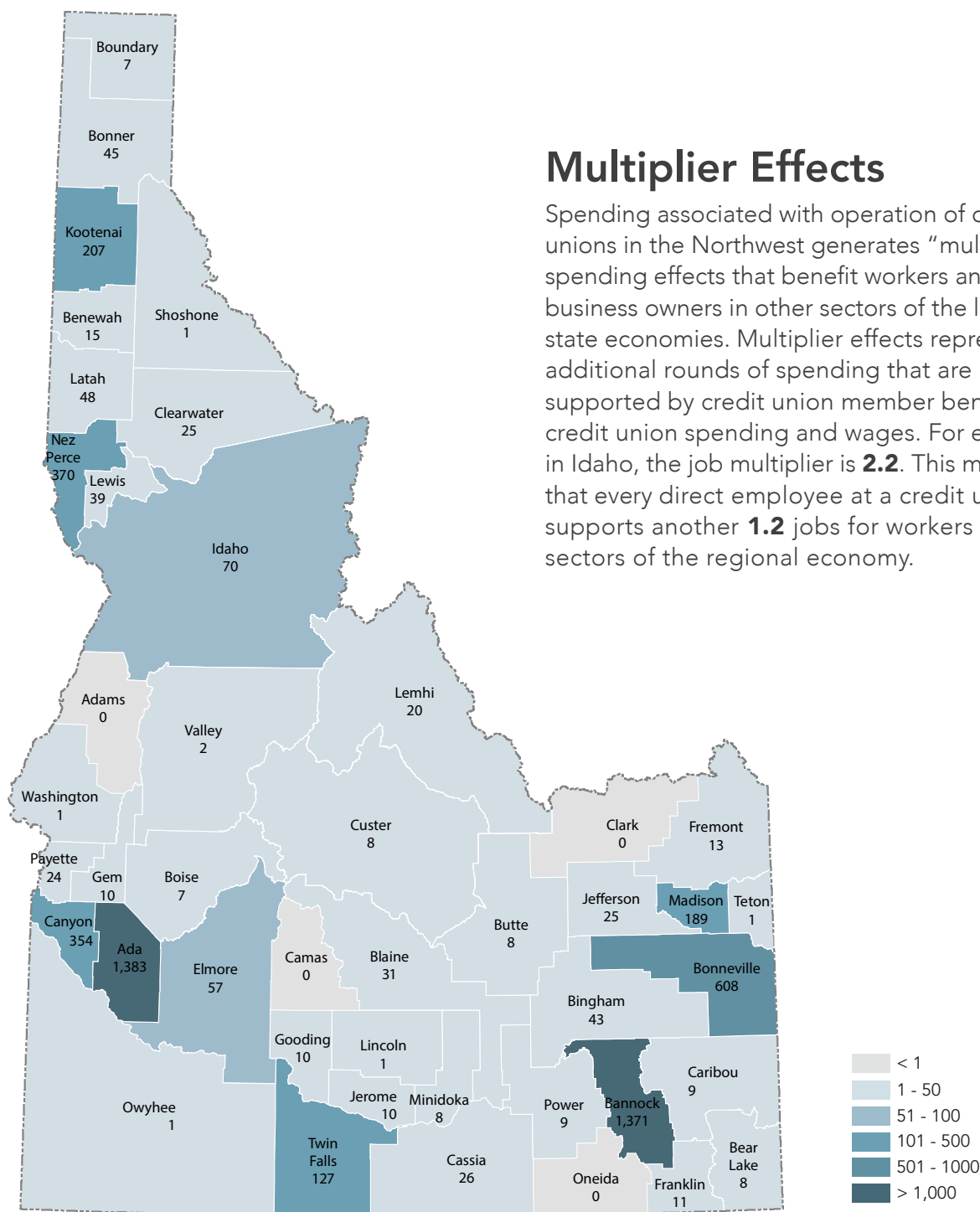
Economic contribution. This represents all sales and other operating income occurring in the study area (inclusive of supply chain purchases and compensation of employees). Idaho credit unions supported \$638 million in total gross economic activity.

Loans. Credit unions' lending to working-class Idahoans puts them in houses, helps them start small businesses, and provides transportation to jobs. In 2016, there were 548,000 loans outstanding, totalling \$7.3 billion.

	Credit Union Impacts	Total Economic Impacts
<div> Direct Member Benefit</div>	<div>\$89.9 million</div> <div>benefit to members</div>	<div>\$90.4 million</div>
<div> Jobs</div>	<div>2,520</div> <div>jobs</div>	<div>5,440</div> <div>jobs</div>
<div> Income</div>	<div>\$147 million</div> <div>income to credit union employees</div>	<div>\$274 million</div> <div>income supported by credit union employees</div>
<div> Economic Contribution</div>	<div>\$283 million</div> <div>spending and compensation</div>	<div>\$638 million</div> <div>spending and compensation</div>

Idaho Credit Union Job Impacts

In addition to providing family wage jobs throughout Idaho, the jobs supported by credit union operations represent a meaningful share of the employment base. The map below displays the number of jobs by county that are associated with credit union operations (includes direct, plus indirect and induced jobs).



Source: BLS QCEW, NWCUA member survey, CUNA, NCUA, and ECONorthwest calculations.